

# State of Vermont

## House of Representatives



**Montpelier, Vermont**

### **House Resolution**

**H.R. 13**

House resolution relating to federal regulation of propane market

Offered by: Representatives Martin of Wolcott, Ancel of Calais, Browning of Arlington, Buxton of Tunbridge, Cole of Burlington, Connor of Fairfield, Consejo of Sheldon, Donovan of Burlington, Evans of Essex, Hooper of Montpelier, Juskiewicz of Cambridge, Keenan of St. Albans City, Larocque of Barnet, Lenes of Shelburne, Lippert of Hinesburg, Macaig of Williston, Miller of Shaftsbury, Mook of Bennington, Mrowicki of Putney, Nuovo of Middlebury, O'Brien of Richmond, Sharpe of Bristol, Till of Jericho, Townsend of South Burlington, Weed of Enosburgh, Woodward of Johnson, Yantachka of Charlotte, and Zagar of Barnard

Whereas, propane serves a critical role in fulfilling Vermont's energy and heating needs, and

Whereas, many Vermonters depend on propane as the primary heating fuel for their homes, and

Whereas, the propane market is generally unregulated by the federal government, which allows for rapid and extreme fluctuations in the market-regulated propane prices because propane exports are not subject to federal oversight in the same fashion as oil and natural gas exports; this has driven up domestic propane prices because domestic users of propane must now compete with the highest bidder in the global market, and

Whereas, according to the U.S. Energy Information Administration's Heating Oil and Propane Update dated January 8, 2014, the price of residential propane has increased by more than \$0.40 per gallon in the time between October 2013 and January 2014, and

Whereas, according to the U.S. Energy Information Administration's Heating Oil and Propane Update dated January 8, 2014, the price of residential propane is more than \$0.50 higher in January 2014 than it was in January 2013, and

Whereas, propane prices are often deliberately obfuscated by distributors and retailers, such that consumers are unable to determine reasonably the cost of propane, resulting in the consumers' inability to make an informed purchase of propane, and

Whereas, the market is not effectively managing the Selkirk wholesale price of propane, which has increased by 38 percent since October 2013. This leads to decreased profit margins for propane retailers and to higher prices for the end consumer, and

Whereas, the United States exports much more propane than it imports; according to Butane-Propane News' Weekly Propane Newsletter dated December 30, 2013, in October 2013 alone, the United States exported 12,642,561 bbl of propane, an increase of 115 percent since October 2012, while it imported only 3,519,583 bbl, now therefore be it

Resolved by the House of Representatives:

That this legislative body finds the market of propane to be unsuited to market-based regulation and requests that federal regulation of propane pricing be instituted, and be it further

Resolved: That this legislative body respectfully requests the United States Congress and the Federal Energy Regulatory Commission to enact laws to control pricing and transparency of the propane industry, and be it further

Resolved: That the Clerk of the House be directed to send a copy of this resolution to Senator Bernie Sanders, Senator Patrick Leahy, Representative Peter Welch, and Acting Chairman Cheryl LaFleur of the Federal Energy Regulatory Commission.